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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 18, 2013

Keith Moeller
Clifton Mining Company
80 West Canyon Crest Road
Alpine, Utah 84004

Subject: Reclamation Surety Required, Clifton Mining Company, Lost Mine Road Project, S/045/0088, Tooele County, Utah

Dear Mr. Moeller:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on March 5, 2013, is complete **with the exception of the cultural resources survey (CRS) and the reclamation bonding requirement.** The required reclamation surety is either \$17,500 for a three-year escalation (through 2015) or \$17,900 for a five-year escalation (through 2017). This was determined based on information in the following table.

Small Mine Operation Bond Calculation Worksheet S/045/0088			
3-year escalation (2015)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	2	\$4,800.00	\$9,600.00
TOTAL			\$17,500.00
5-year escalation (2017)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,100.00	\$8,100.00
Add'l Acres Disturbance	2	\$4,900.00	\$9,800.00
TOTAL			\$17,900.00

The Division has yet to receive concurrence from the BLM for this amount, so it is possible the amount required could change. Please submit the CRS and reclamation contract within the next 30 days. Please contact the BLM prior to submittal of the reclamation surety to verify the surety amount. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

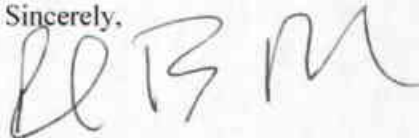
The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at pennyberry@utah.gov for assistance in completing this requirement.



Keith Moeller
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Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/045/0088.

Sincerely,

A handwritten signature in black ink, appearing to read 'PB Baker', written over the word 'Sincerely,'.

Paul B. Baker
Minerals Program Manager

PBB: lah: eb

cc: Stephen Allen, BLM SAllen@blm.gov

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